A judgment call

How useful are agency review boards?

By D. Kyle Felt

Several months ago, our chairman asked me to investigate whether our agency should use a formal review board system. Having gotten my early start in a large, somewhat bureaucratic agency, I was familiar with the process.

I served as secretary of the review board for a couple of years and witnessed many more abuses of the process than productive uses. Understandably, the idea of a review board was not very attractive to me.

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With varying degrees of emphasis, all review boards set out to inform top management, approve and influence strategy or executions and provide new thinking.

These are certainly valid objectives. And because our chairman suggested the idea of instituting a review board system, I wanted an objective view of how current systems are constituted and perceived and how productive they are. Here is what I found:

• **The bigger the agency, the more review boards.** Of the agencies contacted, half had some kind of formal review board system. About two-thirds of the large agencies (billings of more than $150 million) had a review board system, compared with one-third of those respondents who billed less than $150 million. Interestingly, we learned that all Procter & Gamble agencies *do not* have a review board system.

Most of the creative "hot shops" tend to stay away from a formal review board, relying on the judgment of the top executives or principals. In one case, we talked to a senior member of an agency who seemed enthusiastic about his agency's review board system only to have the founder, in a separate call, emphatically deny that there was any system other than the one in which he "saw all of the work."

• **Review: Before or after the fact?** Surprisingly, one-third of the agencies who review marketing and advertising plans formally review work *after* client presentation.

The reviewing usually is done by a five-member body made up of creative director, president and senior account managers.

About half the time, review boards are called to meet on request. However, the largest agencies tend to have more rigid scheduling of review boards.

• **Review boards get mixed reviews.** Response to review board systems by executives contacted was about a third positive, a third negative and a third neutral. Positive comments centered on ideas generated by the review board, use of review boards as means of informing management and their value in polishing a presentation before client meetings.

Negative comments centered on politics and a perception of the review board members as lacking experience and understanding of the brands and categories under discussion.

It is interesting to note that review boards composed of operational executives are more likely to be described positively while policy-making executives sitting on review boards are described more negatively.

Most respondents agreed that a review board is more important for larger agencies than smaller ones; clients are not reassured knowing their plans have been reviewed by a review board, and a review board is only as good as its members.

A funny thing happened on the way to setting up a review board at Warwick Advertising: We didn't. Our decision was based on our understanding of our needs and strengths.

We are a medium-size agency (about $120 million in billing), and our top management people don't have to rely on formal meetings to become informed. Also, our top management doesn't need a mechanism to approve or exert influence over strategy or execution. Instead, this process is inherent in management involvement.

In focusing on the constant need for new thinking, we created an ad hoc "resource" within the agency that is actively used by our management supervisors. Purposely, the resource has no name, no fixed membership, no regular meeting schedule. It is an intellectual entity, not a political one.

The idea is this: At the request of a management supervisor, the president or chairman, a group of five or six of our best brains, representing the various disciplines in the agency, meet with the account group that specifically defines an important problem or opportunity. The resource group becomes immersed in the particular business at hand . . . preparing a new business pitch. The principal difference, however, is that the resource group has access to most of the client's relevant information. The group meets as often as necessary over two or three weeks and then meets with the account group, president and chairman to discuss their recommendations, options and ideas.

The account group has no obligation to accept recommendations from the resource group. The best testimony to the value of the concept is that management supervisors continue to call upon it to get a second opinion or new thinking.

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Obviously, asking for help at our place is seen as an indication of strength, not weakness. Will our "no-name resource" continue? The answer is, "As long as our people find it useful."

So, if an agency is considering a review board system, or rethinking an existing system, it should consider these questions before deciding:

1. What's the real purpose: Control, information, new thinking?
2. Is a review board practical for the size of the agency?
3. Can it be or is it positioned positively?
4. Will it undermine the accountability of account managers?
5. Will the client care whether there is a review board?
6. Will it slow up the strategic and creative process?
7. Will review board members have the time to prepare themselves adequately for such deliberations?
8. Will there be continuity in membership?
9. Is there a senior person on staff who can run the system and resist the inherent political temptations?
10. Is it willing to monitor results with an eye to adjusting the system to meet the changing needs of the agency, clients or people?
11. Will clients really benefit from the process?

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Satisfaction

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than half the agencies believe that their clients are extremely satisfied with creative execution and production. For the remaining seven services, the extremely satisfied responses ranged from a low for copy testing to almost half for creative strategy.

The next question was, "Do certain agency services contribute more to achieving better client satisfaction than other services?" Each agency's perception of its performance was calculated by weighting the eight services according to the importance attached to them and calculating a weighted over-all performance average.

Satisfaction impact scores determined the most important service in those agencies that had clients who were most satisfied. Research appears to be the most important service in those agencies whose clients are extremely satisfied; it received a weighted score of 233.

The scores drop sharply after that. Creative execution and production received a score of 197; creative strategy, 184; media planning and placement, 139; public relations, 134; direct mail, 128; marketing strategy and planning, 118, and copy testing, 100.

When asked how they would describe current over-all client satisfaction with their agency, most advertising executives (84%) replied that their clients are just reasonably satisfied. Only 15% said their clients are extremely satisfied, and 1% said their clients were unhappy with the service they were receiving. Just over half (55%) of the agency executives believe that client-agency relationships have stayed about the same, and a small percentage (10%) think these relationships have deteriorated over the last five to ten years. Thirty-five per cent believe the relationships have improved. This suggests that there is much room for improvement.

Aspects of doing business

In the next section the agency was first asked to rank the importance of the seven aspects of doing business with a client. These aspects were:

- Sufficient input.
- Clearcut decisions.
- Access to top management.
- Effective approval procedures.
- Sound marketing and advertising background.
- Reasonable demands.
- Fairness in assigning.

Most of the agency executives feel that sufficient input from their clients is vitally important. This is by far the most important aspect of dealing with a client, at least from the agency's point of view. Just over one-third of the agencies say they believe that sound marketing and advertising background are vitally important.

Agency satisfaction with clients

After ranking the importance of specific aspects of working with clients, agency executives then indicated their degree of satisfaction with their clients' performance in each of the seven aspects. The low percentages indicate that agencies are not extremely satisfied with many aspects of the way clients deal with agencies.

The next step was to determine which aspects of dealing with a client contribute most to over-all agency satisfaction. For each agency, the over-all weighted average performance of their clients was calculated. The calculation was similar to that used in determining the agencies' weighted evaluations of performance. The seven importance ratings and corresponding performance ratings supplied by each agency for their clients were used.

Statistical calculations determined those aspects of client-agency relationships that contribute most to greater satisfaction on the part of the agency. Of the various aspects involved in doing business with a client that help to achieve agency satisfaction with the client, fairness in assigning work leads the list with a weighted score of 156. Very close is the reasonableness of demands that a client places on an agency, with a score of 145. Following are sufficient input, 131; clear-cut decisions, 128; effective approval procedures, 125; access to top management, 108, and sound marketing and advertising background, 100.

Much valuable information can be gained about performance from periodic, formal evaluations. Such evaluations should include senior people. The goal is to become more mindful of others' problems. Clients must realize just how important their input is in maintaining an effective relationship with their agency. Clients need to be aware that agencies are not extremely satisfied with many aspects of their clients' input. Constructive criticism can be effective both ways. Therefore, the key to better client-agency relations must lie in better communications. If agencies and clients would communicate what is expected, steps to better relations could be achieved.